



**Connecticut Children's Testimony
to the Insurance & Real Estate Committee
Regarding House Bill 5447, *An Act Concerning Prior Authorization for Health Care
Provider Services***

March 16, 2022

Senator Lesser, Representative Wood, and other esteemed members of the Insurance and Real Estate Committee, thank you for the opportunity to share our thoughts regarding House Bill 5447, *An Act Concerning Prior Authorization for Health Care Provider Services*. While Connecticut Children's supports legislative action to address serious problems with the conduct of prior authorization, this bill as written does not protect patients or their providers.

Connecticut Children's is a nationally recognized, 187-bed not-for-profit children's hospital driving innovation in pediatrics. With nearly 3,000 employees and over 1,300 on our medical staff, we are the only hospital in the state dedicated exclusively to the care of children.

Private health insurance is the source of coverage in the employer-sponsored, small group, and individual insurance markets. Nearly all private health plan coverage arrangements rely on utilization management, and specifically prior authorization, as a means to gate-keep access to medically necessary services.

Today, aggressive prior authorization is common throughout the industry. Health plans are using prior authorization to restrict access to patients' covered services. Moreover, they are continually changing the rules that govern prior authorization, often in the middle of provider-insurer contract periods. While the stated intent of prior authorization is to help ensure patients receive care that is safe, efficacious, and beneficial to the individual patient, we have observed that many health plans are applying prior authorization requirements in ways that impact care, often in the form of unnecessary delays and/or outdated or inappropriate medical necessity guidelines.

Frequently, health plans establish different requirements for the information a provider must include in a prior authorization request for a particular covered benefit, and health plans often change those requirements unilaterally throughout a contract term.

Delays are most common when the care is more medically urgent. Patient care can often be provided in a planned outpatient setting, however, there are times in which these delays cause unnecessary and high cost emergency room visits. We strive to ensure that patients are receiving the right level of care when they need it. When patients and providers are required to wait for an insurance decision, the patient is then put in a position to make a medical decision based on potential financial liability. For example, imagine a parent whose child is in need of an infusion for an acute illness, without a timely authorization, they may witness their child in pain and clinically decompensating, resulting in seeking emergency care. These parents should not be burdened by that sort of decision making.

Lengthy response times by payers for authorization determinations can also lead to delays in care for our patients. There is currently no standard for responses, which can range from a same day response to 14 days on average. Additionally, when it comes to escalating denials,

peer-to-peer processes may be convenient for the payer, but not for pediatricians who are caring for patients in clinic, bedside, or the operating room. This, again, can lead to delays of medically necessary care as well as financial burden risk to institutions, families, and untimely resolution of denials.

At Connecticut Children's, we experience several challenges navigating the complexities and inconsistencies of insurance authorizations. For example, we have experienced authorization requests that were canceled without notification to our organization. There are also payers that do not allow retroactive authorizations. We believe there should be a reasonable timeline (ie; within 3 business days) to submit for authorization and provide medical necessity rationale. Hospitals may also struggle with performing services, dropping updated charges/CPT codes, documenting their medical rationale and submitting for authorization all within the same day—especially for services administered later in the day and when insurance companies are closed.

Payers also utilize inconsistent guidelines to determine eligibility. Some payers require a member ID along with a patient's date of birth or name in order to find a member. Patients receiving necessary and urgent medical care may not always have their insurance card available. This can cause hospitals to be held financially liable for services that were provided, even with their best efforts to collect insurance information. It is also unfortunate that hospitals and families should be held liable for services that do not allow for prior authorization, yet are denied because they are deemed cosmetic or experimental.

During a time of national emergency where workforce shortages and strained health system capacity have been persistent challenges, there is simply insufficient bandwidth to comply with such cumbersome administrative procedures—particularly for small health systems like Connecticut Children's. Hospitals often have multiple full-time employees whose sole role is to manage health plan prior authorization requests. Prior authorization processes exacerbate workforce challenges and contribute to physician and other staff burnout. Expending staff resources to respond to unnecessarily complex and unnecessarily unclear health plan administrative requirements is unreasonable at any time, and far worse as we confront unprecedented and likely enduring challenges recruiting and retaining essential healthcare workers.

Ultimately, the medical providers are responsible for the care, accountable for the outcomes, and should be the driver of clinical decision making, not the insurer. We urge you not simply study the issue but to enact real prior authorization reform this session.

Thank you for your consideration of our position. If you have any questions about this testimony, please contact Emily Boushee (eboushee@connecticutchildrens.org), Government Relations Associate.

